

## REMARKS

Applicants note that claims 2, 3, 22 and 24 stand withdrawn from consideration.

By the present amendment, each of the independent claims 1, 4, 5 and 7, and therewith the dependent claims, have been amended to clarify features of the present invention, noting that claims which stand withdrawn from consideration have been amended in a similar manner. More particularly, looking to Figures 1A and 1B of the drawings of this application, in which Fig. 1A is a plan view, and Fig. 1B is a sectional view taken along line b-b in region A of Fig. 1A<sub>1</sub> and Fig. 1C, is a sectional view of region B of Fig. 1A taken along line c-c, as recited in claim 1, for example, the pixel region is constituted of divided respective regions represented by region A and region B in Fig. 1A, for example. Further, in one region, represented by the region A, the counter electrode CT, as now recited in claim 1, extends over the one region (region A) so as to be substantially planar at a center of the one region except for at a periphery of the one region, as clearly illustrated in Fig. 1B, and to be below an insulation film GI. Further, as illustrated in Fig. 1A and Fig. 1B, in the one region, the pixel electrode PX is constituted of a group of electrodes, as represented by the plurality of electrodes PX in Fig. 1B so as to be above the insulation film GI in a state that the group of electrodes of the pixel electrode is overlapped to the substantially planar counter electrode CT in the one region in plan view, as clearly illustrated in Fig. 1A. Furthermore, with respect to the another region as recited in claim 1, which is represented by the region B, the counter electrode CT is constituted of a group of electrodes, as illustrated in Fig. 1C, for example, so as to be below the insulation layer GI, and is alternately arranged with the group of electrodes of the pixel electrode in the another region in plan view, as shown in Figs. 1A and 1C. The other

independent claims under consideration recite similar features which are not disclosed or taught in the cited art as will become clear from the following discussion.

As to the rejection of claims 1, 4, 5, 7, 21, 23 and 25 - 27 under 35 USC 103(a) as being unpatentable over Lee et al (US 6,128,061) and of Sakamoto et al (US 6,914,656) in view of Towler et al (US 6,714,276); and the rejection of claims 6, 8 under 35 USC 103(a) as being unpatentable over Lee et al (US 6,128,061) and of Sakamoto et al (US 6,914,656) and of Towler et al (US 6,714,061) in view of Kurahashi et al (US 2002/0126241); such rejections are traversed insofar as they are applicable to the present claims, as amended, and reconsideration and withdrawal of the rejections are respectfully requested.

In applying Lee et al to the claims, the Examiner in the first full paragraph at page 3 of the Office Action recognizes that "Lee et al does not disclose the pixel region as constituted of divided respective regions; wherein one region, the counter electrode made of one of a light-transmitting material and a light reflecting material which is formed on the center except for a slight periphery of the region below an insulation film ...". Although the language utilized by the Examiner does not correspond to the previous amended language of the claims, the Examiner utilizes language of the claims in describing the structure of Lee et al, but does not specifically indicate what features of Lee et al, and applicants submit that Lee et al does not disclose the recited features of the claims. Applicants submit that looking to Fig. 4A of Lee et al, referred to by the Examiner, assuming that the pixel electrode is represented by the members 39, and the counter electrode is represented by the members 37, it is readily apparent, that Lee et al does not disclose that the counter electrode in one region extends over the one region so as to be substantially planar at a center of the one region except at a periphery of the one region and to be below

an insulation film, while the pixel electrode is constituted of a group of electrodes extending in the manner defined in the one region so as to be overlapped to the substantially planar counter electrode in the one region in plan view. That is, in Fig. 4A of Lee et al, the counter electrode in an upper region in such figure is constituted by the group of electrodes 37c which do not extend over the one region so as to be substantially planar at the center, and the group of pixel electrodes 39c are arranged alternately with the counter electrodes 37c in plan view, and are not overlapped with the counter electrode in plan view. Likewise, in the lower portion of Fig. 4A of Lee et al, the group of electrodes 39b of the pixel electrodes are alternately arranged with the group of electrodes 37d of the counter electrode in plan view and are not overlapped in plan view with one another. Thus, Lee et al fails to provide the structural arrangement as recited in the independent claims of this application, which fact has been recognized by the Examiner.

The Examiner recognizing the deficiencies of Lee et al refers to Sakamoto et al as providing the recited features, referring to Fig. 5 thereof. Applicants note that Figs. 5 - 10 illustrate different views of the same embodiment, wherein the counter electrode is represented by 26 and the pixel electrode by 27. As shown in Figs. 6 and 7 the pixel electrode and the counter electrode include groups of electrodes which are arranged alternately with one another in plan view, as is also illustrated in Fig. 8(a) which is a cross-sectional view showing that the groups of electrodes of the pixel electrode and the group of the counter electrode are arranged in the same layer so that the counter electrode cannot be arranged so as to be below an insulation film and pixel electrode arranged to be above the same insulation film, as recited in the claims of this application. Thus, Sakamoto et al does not disclose a group of pixel electrodes being overlapped with a substantially planar counter electrode which

extends over one region as recited in the independent claims of this application nor the other features as recited in the claims of this application. Accordingly, applicants submit that the combination of Lee et al and Sakamoto et al fail to provide the recited features of each of the independent claims under consideration and all claims should be considered allowable thereover.

With respect to the addition of Towler et al to the combination of Lee et al and Sakamoto et al, the Examiner cites Towler et al for disclosing an insulation film having a larger thickness in another region than one region. Applicants submit that Towler et al does not disclose a pixel region constituted of divided respective regions in which one region has a counter electrode and a group of pixel electrode arranged in the manner defined, nor another region having a group of electrode of a counter electrode and a group of electrodes of a pixel electrode arranged in the manner defined and arranged in relation to an insulation layer as defined. Thus, applicants submit that Towler et al does not overcome the deficiencies of Lee et al and Sakamoto et al, as pointed out above, and all claims recite features which patentably distinguish over this proposed combination of references, such that all claims should be considered allowable thereover.

In view of the above amendments and remarks, Applicants submit that all independent claims and the dependent claims, under consideration recite features not disclosed or taught in the cited art, such that all claims under consideration, should now be in condition for allowance. Accordingly, issuance of an action of a favorable nature is courtesy solicited.

To the extent necessary, applicants petition for an extension of time under 37 CFR 1.136. Please charge any shortage in the fees due in connection with the filing

of this paper, including extension of time fees, to the deposit account of Antonelli, Terry, Stout & Kraus, LLP, Deposit Account No. 01-2135 (Case: 501.45788X00), and please credit any excess fees to such deposit account.

Respectfully submitted,

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